रजिस्ट्री सं० डी०एल०-33004 / 2002 REGISTERED NO. DL-33004/2002

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II — खण्ड 2
PART II — Section 2
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं० 8] नई दिल्ली, बृहस्पतिवार, मार्च 21, 2002/ फाल्गुन 30, 1923
No. 8] NEW DELHI, THURSDAY, MARCH 21, 2002/ PHALGUNA 30, 1923

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in Lok Sabha on 21.03.2002

BILL NO. 24 OF 2002

*A Bill further to amend the Sugar Development Fund Act,* 1982.

BE it enacted by Parliament in the Fifty-third Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Sugar Development Fund (Amendment) Act, 2002.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of Act 4 of 1982.

2. In section 4 of the Sugar Development Fund Act, 1982, in sub-section (*1*),—

(*i*) after clause (*a*), the following clauses shall be inserted, namely:—

"(*aa*) **for making loans to any sugar factory or any unit thereof for bagasse-based co-generation power projects with a view to improving their viability;**

(*aaa*) **for making loans to any sugar factory or any unit thereof for production of anhydrous alcohol or ethanol from alcohol with a view to improving their viability;";**

(*ii*) after clause (*bb*), the following clause shall be inserted, namely:—

"(*bbb*) **for defraying expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar with a view to promoting its export;".**

## STATEMENT OF OBJECTS AND REASONS

The Sugar Development Fund Act, 1982 (SDF Act) was enacted to provide for the financing of activities for development of sugar industry. The said Act provides that the Sugar Development Fund (SDF) shall be applied by the Central Government, *inter alia*, for making loans for facilitating the rehabilitation and modernization of any unit thereof and for defraying expenditure for the purpose of building up and maintenance of buffer stock of sugar with a view to stabilizing the price of sugar.

2. The present Bill seeks to amend the SDF Act to provide that the Sugar Development Fund may also be applied by the Central Government to (a) grant loans to any sugar factory or any unit thereof for (i) bagasse-based co-generation power projects, and (ii) production of anhydrous alcohol or ethanol from alcohol with a view to improving their viability, and (b) for defraying from the SDF, the expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar with a view to promoting export.

3. It is estimated that about 3500 MW of power can be generated by the sugar factories with bagasse as the feedstock. Bagasse is a byproduct of a sugar factory and bagasse-based co-generation of power is environment friendly. However, against a potential of about 3500 MW of bagasse-based power, only about 212 MW generation capacity has so far been commissioned. Projects for generating additional 245 MW of bagasse-based power are under implementation. Sugar factories face resources constraints for investment in bagasse-based co-generation. Therefore, it is considered necessary to encourage and enable the sugar factories to take up bagasse-based co-generation of power projects. The sale of surplus power generated from bagasse-based co-generation will improve the viability of the sugar factories through value addition and optimum byproduct utilization. The cost of generation of bagasse-based power is also relatively less than that of the conventional power projects.

4. Molasses is another major byproduct of a sugar facotry. Molasses is used for production of alcohol. Anhydrous alcohol/ethanol is a good oxygenate and when used as a blend with motor fuel, it substantially reduces vehicular emissions. Ethanol blended motor fuel is environment friendly. Encouragement of production of anhydrous alcohol/ethanol for blending with motor fuel has the potential of resulting in substantial savings in foreign exchange on the import of crude oil. Sale of anhydrous alcohol/ethanol would improve the viability of the sugar factories through value addition and optimum byproduct utilization. Therefore, encouraging production of anhydrous alcohol/ethanol by sugar factories or units thereof is desirable.

5. The carry over stock of sugar as on 30.09.2001 was over 100 lakh tonnes. The holding costs of sugar at such high level adversely affect the viability of sugar factories. This in turn affects timely payment of cane price dues to the sugarcane growers. Some developed countries continue to give subsidy on export of sugar due to which the international prices of sugar remain low. An encouragement for export of sugar would help in reducing the stocks of sugar and improving realizations from sale of sugar, which can be utilized for making timely payment of

cane prices. Therefore, defraying expenditure to the sugar factories on internal transport and freight charges on export of sugar is expected to promote export of sugar.

6. The Bill seeks to achieve the above objects.

NEW DELHI; SHANTA KUMAR.

*The* 12*th March*, 2002.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 1-6/99-SDF, dated the 13th March, 2002 from Shri Shanta Kumar, Minister of Consumer Affairs, Food & Public Distribution to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the Sugar Development Fund (Amendment) Bill, 2002, recommends the introduction and consideration of the Bill in Lok Sabha under article 117(1) and (3) of the Constitution of India.

## FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to amend the Sugar Development Fund Act, 1982 to enable the Central Government to apply the Sugar Development Fund (SDF) also for (i) making loans to any sugar factory or unit thereof for bagasse-based co-generation power projects and for production of anhydrous alcohol or ethanol from alcohol, and (ii) for defraying expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar with a view to promoting its export. The expenditure on the application of the SDF cannot be quantified, as it will depend on the demand to be made by sugar factories. Similarly, the amount required for defraying expenditure on internal transport and freight charges cannot be quantified, as it will depend on the quantity of sugar that will be exported and the location of the sugar factories exporting the sugar. The expenditure on office expenses for implementing work relating to the Scheme is likely to be of the order of Rs. 10.00 lakhs per year.

2. The Bill does not involve any other expenditure, whether of a recurring or a non recurring nature.

---

G. C. MALHOTRA,
*Secretary-General.*

PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS (PLU), MINTO ROAD, NEW DELHI
AND PUBLISHED BY THE CONTROLLER OF PUBLICATIONS, DELHI, 2002.

MGIP(PLU)MRND—5965GI—30-03-2002.